



SUMMER 2011 MAGAZINE

# Wharton

ALUMNI CLUB OF NEW YORK

## 2011 Wharton Alumni Business Showcase *63 entrepreneurs 64 investors*

UNIVERSITY of PENNSYLVANIA

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# LETTER FROM THE PRESIDENT



**T**HIS May graduates walked across the stage to receive their diploma and applause from their family and friends. When they descended from the stage they became alumni of the Wharton School of Business, and if they live in this area, members of the Wharton Club of New York. I hope that they and you take advantage of this significant asset that you have earned with your degree!

Wharton alumni are everywhere. The WCNY enables you to connect with your fellow alumni in many walks of life. In this issue you can learn about those working in the publishing and media industries, or in entrepreneurial start-ups. You can also read about them at our website, [www.whartonny.com](http://www.whartonny.com).

We delayed our publication of this issue to be able to report on the Wharton Club of New York's Alumni Business Showcase, perhaps one of the best examples of alumni TAKING THE CALL. The program which started as a business plan competition three years ago has grown beyond our wildest dreams. In this year's program 72 judges evaluated submissions made by 63 teams – all Wharton alumni.

Moreover when the program fully rolls out we are confident that thousands of accredited investors will be exposed to these 63 new businesses. I am proud to say that the Alumni Business Showcase committee, over 85 volunteers including judges, is our club's largest committee and I would like to thank each and every one of them. They have truly taken our vision and have turned it into a reality.

This issue focuses on the publishing and media industry, which is facing tumultuous times. Multiple perspectives are provided to the reader. Ellen

Desmarais, WG'02, a rising executive at Dow Jones, brings us up to date on how a news operation turns challenges into opportunities. Alberto Vitale, WG'59, the former CEO of Random House, informs us about the essence of publishing, David Steinberger, WG'91, as CEO of Perseus Books, and shares his perspective as one serving a growing assemblage of independent publishers. Our own Peter Hildick Smith, WG'81, and WCNY Vice President of Marketing and Communications, helps book publishers make sense of it all.

It seems that more alumni are choosing the entrepreneurial lifestyle. Mary Beth Minton, WG'82 tells the story of her adventure with Zylie the Bear, and how the WCNY helped make it possible. That is actually a theme common to all of these interviews, that at Wharton they learned, became inspired, made friends, and set a course for their life.

Facebook has been in the news as a new conduit for business. But how does it work? Read what alumni found out at this club event organized by Robin Colner, WG'83.

As always, don't forget to TAKE THE CALL. Go to this hyperlink, ([www.whartonny.com/forum.html](http://www.whartonny.com/forum.html)) to review the postings from your fellow alumni and please post your own! Remember Wharton Alumni should help, hire, invest in, and buy from Wharton Alumni; and if a fellow alumnus calls ... you take the call! It is this enlightened self-interest that is the ultimate power of the Wharton community.

The Wharton Alumni Network continues to be your most powerful tool for business, social, career and intellectual growth. Use it! Take the Call! ■■

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David Salas, PHD '12, Steven Dong, W'12,

Markus Beissinger, M&T '13, of OSUS



## What the World Needs Now...

**STEVE Shindler**, W'76, knows that what the world of entrepreneurs needs now is love. It must be true. That's all he had to give the 22 volunteer Committee members who toiled with him for six months, the 63 startups that put themselves through the rigorous evaluation process, and the 72 volunteer judges who spent days perusing the entrepreneurs' business plans. It all culminated on June 13, at WCNY'S 2011 Wharton Alumni Business Showcase (WABS), where twelve finalists in five industries presented their start-up companies to an audience of 200.

The world of entrepreneurs also needs a big vision. The kind that inspired Marc Porter, W'82, Christie's Chairman and CEO, to donate the world class venue at 20 Rockefeller Plaza for the Showcase. (Security guards were kept busy reminding young aspirants to "not to sit on that French 18th-century divan.") It also inspired Ralph Gardner, Jr., of the *Wall Street Journal* to attend and cover the event, *Network University*. (WSJ June 16, 2011).

### 2011 Wharton Alumni Business Showcase

#### VISION

**Jeff Mulholland**, WG'86, Co-Chair of the Wharton Investment Resource Exchange, and Steve as newly appointed Chair of the Wharton Angel Network, relentlessly battled



**Steve Shindler, W'76**



**Mark Abramovich ,WG'03, and Jeff Mulholland, WG'86**

ideas back and forth around the vision that angel investing can be made a lot friendlier and a lot more efficient. They wanted to run the program the same way people start companies — "You need a big vision, and you need to pay excruciating attention to details." They felt it was critical that the Wharton brand name be associated with entrepreneurship, and looked to redefine how significant early-stage companies are funded. This vision was to bring past years' successful club business plan competitions to a new level.

Steve continued this conversation in a detailed white paper to the WABS Committee on January 16, reflecting on the comments of the committee's sage volunteers. "Some of you," Steve wrote, "have questioned the logic associated with calling it a 'business plan competition,' feeling that it implied more of an intellectual exercise. Fundamentally, some of you even



questioned if an applicant's idea of 'winning' was the same as ours — that is to say, is the winner the team that receives the judges' highest score, or the team that achieves its funding objectives facilitated by the program?" Steve concluded, "Fundamentally, I think we all agree that the applicants are seeking investment capital — more often than not, a near impossible task — requiring a process that is anything but efficient. While the program cannot promise a funding result, its goal is to facilitate, simplify and potentially accelerate the funding process. By participating in the program, applicants make available their profiles and executive summaries to accredited investors worldwide, including members of the Wharton Angel Network. Moreover, those companies making it to the final round will be accorded an opportunity to present to not only a prestigious panel of Wharton alumni judges, but also to a room filled with angel investors."

Thus, a vision, a team and a plan came into focus to create this true showcase of Wharton entrepreneurialism.

## TEAM

Three of the key Committee volunteers commented on their roles in the Showcase.

**Joon Shin**, WT'06, Investor Co-Chair (<http://joonique.com>)

"I was tremendously happy with the strong turnout — even angels who were not Wharton alums were in attendance. The best part of all this was my opportunity to contribute in building this platform where courageous entrepreneurs get to meet with adventurous early-stage investors, so the energy level for the event was pretty high."

"By creating a quality platform for the entrepreneurs to showcase the "stuff that they're made of" to a roomful of investors means that investor pitches get delivered with more passion, answers to questions carry greater stake, and stage



**Joon Shin, WT'06**

"Kenny Beck, President of the Wharton Club of New York, has created a culture at the Wharton Club that inspires events like the Alumni Business Showcase. More important than inspiring events, Kenny inspires alumni to help alumni. I'd like to thank Kenny and all of the officers, trustees and volunteers of the Wharton Club."

— Steve Shindler in his opening remarks

**Kenneth Beck WG'87**

fright takes a backseat for the survival of a dream, especially if you know the right sets of eyes and ears are in front of you to witness them.

"The response was large. We accepted 63 startups, and they each had to go through a very extensive vetting process, and then they were evaluated by first-round judges to help us whittle it down to 12 finalists — this part was very time-consuming but worth it in the end. Without a shadow of a doubt, I send out a big thanks to all the esteemed alums serving as the first- and final-round judges, who hail from different companies, such as ABB Technology Ventures, Accretive Capital, DJF Gotham Ventures, Edison Venture Fund, Founders Capital Management, Golden Seeds, HopStop, Hudson Clean Energy Partners, IA Ventures, Intel Capital, Inter-Atlantic Group, Investcorp, McKinsey & Company, MentorTech Ventures, Northeast Securities and Silver Lake Partners, just to name a few."

**Natasha Tancjura**, WG'10, Judge Co-Chair

"My role was to coordinate some 70 judges who were involved in judging both the first round and the final round of the Showcase. That involved communicating the extensive judging criteria to the judges and being a point person for any questions they had on the process. We started out with 10 judges who participated in the program last year, but following the decision to expand the program, Kenny Beck reached out to all club members, soliciting judges with expertise in the fields of our Showcase-participating companies. We had very specific judging criteria and selected judges who were also investors. I then screened new judge applicants who responded to our solicitation to determine if their experience was relevant to what we're trying to do, educating them about the program and the time commitment and effort involved.

Working with the judges was an amazing experience. These very in-demand people read anywhere between 10 and 20 business plan summaries, rated them, and wrote comments and suggestions so that we could pass them on to participating companies. I am a recent Wharton MBA graduate, and while I knew that there is this great Wharton network out there, this proved to me that Wharton's alumni network wants to stay involved with the Wharton community."



**Eric Ewald**, WG'03, Entrepreneur Co-Chair

"My role was to invite start-up companies to apply. We focused on a few areas to attract applicants. First, we sent emails out to about 30,000 WCNY alumni. We promoted it through Wharton clubs around the world, and we advertised through LinkedIn and Facebook groups that Joon created. We went after personal networks. It took a lot more work and coordination than you might think. A lot of people put in a lot of effort into this. But these 63 companies that applied — it was interesting to see how passionate they are. You appreciate what it takes to be a successful entrepreneur, the perseverance and hard work."

## THE STARTUPS

Steve Shindler expressed pride in all the applicants: "You're not going to get great angels if you don't have great companies. Even though this Showcase is being run by the Wharton Club of New York, it is truly a global program. We received applications from alumni as far away as Beijing, London, the Netherlands, Cupertino, San Francisco, Atlanta, Miami, Seattle and even Brooklyn, New York!" Below are a few of the Showcase finalists and winners who shared their thoughts after the Showcase:

**Osus** was the youngest company in both the business cycle and the age of its team, composed of **Steven Dong**, W'12, and four Penn students. They invented a proprietary method to integrate metals into synthetic fibers to increase the weight of a fabric. Surprisingly, there are a lot of people who want to wear something heavier — athletes in training and scuba divers, to name a few. I asked Steven Dong to speak to his team's preparation for the Showcase. "I think if we weren't such good friends, we would probably have never gotten to the presentation stage of the event. So the thing is, we are a group of student engineers, and so, we never really wrote a business plan in the beginning. We just developed our technology. When this Showcase application came around, and we had to submit our one-pager to apply to the event, it was the first time we had to sit down and comprehensively think about our business. There were so many things we hadn't thought about and that we didn't agree on! The one-page summary of our business took about a week to write — I literally mean from 7 p.m. to 7 a.m. for a week. That was the only time when we didn't have class and we could all be together, in my small apartment, talking over the business and writing the summary. The best part? That was just the one-page summary of our business, and it was barely the first step of the preparation process."

Steve Shindler added, "By participating in the WABS, Osus was forced to define its core competency and business model, two critical ingredients in starting a business."

**Catapulter** strives to be the Kayak.com of ground transportation. Its beta website ([www.catapulter.com](http://www.catapulter.com)) is up, so you can go and calculate the fastest and cheapest ground transportation between major cities in the Northeast! I asked its CEO, **Adam Waaramaa**, WG'11, how he came to participate in the Showcase? Adam explained, "Megan Mitchell and Emily Cieri from Wharton Entrepreneurial Programs (who sit down the hall from Catapulter's HQ at Wharton's Venture Initiation

Program) have pushed recently to link the Wharton Angel Network with entrepreneurs on the campus. Thanks to their help, the Wharton Angel Network invited us to apply."

**Lozo** is a boon for budget- and time-constrained Americans. Lozo's proprietary aggregation and matching technology tracks all sources of digital grocery coupons and finds matches with your grocery list, making it easy to save on the groceries that you are already planning to buy. Lozo even sends out the relevant coupons by email or mobile. Benjamin Franklin ("a penny saved is a penny earned") would have loved this. **Jeff Kaplan**, W'96, Lozo Founder and CEO, commented on the event:

"This Showcase was a terrific



**Jeff Kaplan, W'96 (LOZO)**

opportunity to tell our story and connect with potential investors who can help us grow rapidly and bring our service to the millions of American households who will most benefit from the savings we'll find for them. Helping early-stage companies connect with funding partners is both noble and extremely useful for businesses like ours. The incredible amount of work and energy from the team and all of the volunteers really underlined Wharton's commitment to supporting its alumni."

## CONGRATULATIONS to the following six winners of the 2011 Wharton Alumni Business Showcase:

*Web Nonconsumer Panel*  
**VitalTrax**

*Life Science Panel*  
**Clinical Silica Technologies**  
**XiGo Nanotools**

*Environmental Panel*  
**TerViva**

*Consumer Products and Services Panel*  
**RelaxZen**

*Web Consumer Panel*  
**Lozo**



**Judge Ray Sobieski, WG'02 and Natasha Tancjura, WG'10,**



**Sudhir Rani, WG'11 (Terviva) and Michael Last, WG'05 (Intellitoys)**



**James Chin WG'83 and Emilio Echave (VitalTrax)**



## ENTREPRENEUR Q&amp;A

**XiGo Nanotools** is a post-revenue venture providing a patented device that enables scientists to measure the critical properties of nanoparticles. Measurements are 500 times faster than conventional methods; require no sample preparation; and are suitable for research, QC and production. **Sean Race**, WG'94, answered my questions.

**WHY DID YOU PARTICIPATE IN THE WAB SHOWCASE?**

"I think you should take every opportunity to talk about your business. The feedback that you get from these events can be invaluable. It isn't all that often that you get to pitch your company to a crowd of 200 Wharton alums, including 64 investors."

**CAN YOU SAY SOMETHING ABOUT YOUR PREPARATION?**

"Yes. You can never prepare enough. It takes some time to craft a nine-minute pitch about nanotechnology that a nontechnical audience can grasp. 'Scientists are working hard to leverage the promise of nanotechnology in their respective industries. In order to do that, they need better tools to measure what they make, and we make a very important tool to do just that.' It took a while to distill our pitch to that level."

**WHAT ARE YOUR THOUGHTS ON THE SHOWCASE'S METHODOLOGY, COMMUNICATION, JUDGING?**

"I liked the fact that the entire investor audience had the opportunity to listen to all of the pitches. This was a very friendly, supportive event. I think the message here was, 'These are good business ideas; let's help you get some investors.' That isn't the same message as other angel venture meetings I have attended. I have been to events where the speaker's mike was switched off midsentence at six seconds over the time limit. That is a bit draconian. I would have liked more time to speak with some of the angels at the conclusion of the event. Word of mouth is important in finding money."



**Sean Rice, WG'94, Cara Meskill, and David Fairhurst (XIGO) "You can never prepare enough. It takes some time to craft a nine-minute pitch about nanotechnology that a nontechnical audience can grasp." — Sean Race, XiGo Nanotools**

**Clinical Silica Technologies (CST)**

Surgeons need to visualize early cancer spread intraoperatively to remove all malignant tissue that could lead to a recurrence. The Company's nanoparticle (C-Probes) is FDA IND approved for the first-in-human clinical trials at Memorial Sloan-Kettering Cancer Center, prior to equity funding.

**Kenneth Wang**, WG'84, presented for CST and shared his thoughts.



**Michelle Bradbury, MD, PhD; Kenneth Wang, WG'84 (CST)**

**WHY WAS CST MOTIVATED TO PARTICIPATE IN THE SHOWCASE?**

"The Showcase was one of the catalysts for our emergence from stealth mode; not long ago, we were focused on meeting internal milestones and raising government funds to continue our clinical work."

Thanks to the Showcase, we adopted a broader perspective and turned our attention to how third parties from the business community would view our approach."

**WHAT ARE YOUR THOUGHTS ON THE SHOWCASE ITSELF AND ITS METHODOLOGY?**

"The week of the Showcase was a terrific one for CST. In addition to being named a Showcase winner, we received a very high score on our joint five-year funding proposal, so we expect substantial non-dilutive funding."

"Each step leading to the final round helped us focus on pulling together our investor pitch. The timing and increasing levels of work required between each successive round were perfect. Of course, the Showcase was educational too — we learned from all of the investor comments and from the presentations of other participants, especially the recent Wharton grads. Wharton admissions is evidently doing a great job!"

**THE INVESTORS/JUDGES**

Steve Shindler in his opening remarks at the Showcase said, "Great angel investors are not only check writers, but also individuals who become immersed in the businesses that their capital has empowered. I can think of no better way to facilitate the success of a young significant company than to infuse it with Wharton alumni DNA. What stage a company is within its business cycle usually determines what type of investor will be interested. At the Wharton Angel Network,



**Brent Sonnek-Schmeiz WG'03, L'06 (Relaxzen)**



**Judges, (L. to R.): David Straden, WG'90, Andrew S. Lerner, WG'91, Michael Kopelman, C97, WG'05, Greg Borchardt, WG'03, and Co-Founder of Catapult Jen Chang, WG'11**

we strive to bring deal flow to mostly angel investors and VCs with early-stage funds. We do some seed stuff, but most of the companies in WAN have already gone through a seed round. In fact, the companies you will see tonight average about a quarter million each in seed capital."

**JUDGES' OBSERVATIONS:**

**Gregory Borchardt**, WG'03, is a senior VC executive for early-stage, consumer technology ventures, with specific expertise launching new, consumer product lines at retail. "I was extremely impressed by the caliber of the companies in the Showcase, and I feel that it is our duty to support our Wharton classmates' ventures in any way we can."

**Thatcher Bell**, WG'05, is a venture capitalist at **DFJ Gotham Ventures** in New York, and is Co-Chair of the New York chapter of Wharton Private Equity Partners. "I thought the event was well-organized and showcased some great new companies founded by Wharton alumni."

**William Gordon III**, WG'86, is a serial entrepreneur and angel investor currently invested in biotechnology and online travel.

"This year, judges in the final round had much more advance knowledge about the companies we were going to judge — 25- to 40-page business plans! This year's final group was made up of 12 really good companies from a broad array of industries. The presentations were all excellent and gave very compelling pitches. As an angel, there were a good number that I would consider investing in if I had sufficient cash on hand at the moment."

"I am convinced that Steve has created a vision for the WABS that will allow the event to continue to gain momentum and be a real source of pride for Wharton alumni around the world. To create a strong global network of Wharton alums interested in early-stage companies being formed by other Wharton alums is a really good thing that will feed on itself."

**Sam Hamadeh**, WG'97, L'97, is a media entrepreneur based in New York, with experience in Internet, publishing and film. Sam co-founded **Vault.com** and is founder and CEO of **PrivCo.com**.

"This year's lineup, and format, was the best so far. The final-round business teams were remarkably polished in their presentations and demonstrated confidence and poise, especially considering that they had been selected, based solely on written business plan submissions. We had a final-round

lineup Wharton could be proud of. Hats off as well to my fellow judges, especially fellow return judges Thatcher Bell and William Gordon. Clearly, having done it before allowed them to ask the right, pointed questions and make rapid judging decisions in the very short time allotted for Q&A and scoring each team."

**Gene Rothkopf**, W'56, once owned the largest knitting factory in the world. Today, coming out of his third retirement, he is a licensing maven, as a Director of Jassin Consulting Group. "Some of the businesses I understand too much, which makes it tough on the entrepreneur. One of my favorite companies was Storied, which writes stories packed with SAT vocabulary for students, but it didn't make it to the finalist stage. The fruit juice company (RelaxZen) could work, depending on how it markets it." "Some of the companies I mentored. Who knows ... some of them may succeed! Overall, the evening and venue were fantastic."

**Carol Curley**, CFA, WG'81, is a sophisticated angel investor and Managing Director of **Golden Seeds, LLC**

"I was a first-round and a final-round judge. I was very impressed on several fronts. First, the Showcase was very well-organized. Great communication from the staff. As a judge, I was provided with very specific guidelines on the process and had access to the entrepreneur information on a timely basis. In terms of the startups, I was impressed with the caliber of the presentations and the diversity of industries represented. It is very exciting to me that we had teams that included current students, as well as much more experienced entrepreneurs. Finally, the judges were a very diverse mix of the private equity industry, from angel investors to venture capitalists, as well as seasoned entrepreneurs. I would definitely attend and participate in future Wharton Showcase events."

**HOW ABOUT YOU?**

If you are considering bringing your brilliant idea to the market, it is empowering to know that there exists this team of volunteers, judges, and investors, this resource here for you, the **Wharton Alumni Business Showcase!** Remember — All you need is hard work, a good team and, as Steve Shindler reminds me, "of course, capital, which is why we are running the program!" ■■



**Two judges: Carol Curley, WG'81, and Michael Aronson, W'78**